



Senate Fiscal Agency
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BILL ANALYSIS



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House Bill 4332 (Substitute S-3 as reported by the Committee of the Whole)

Sponsor: Representative Gary Randall

House Committee: Regulatory Affairs

Senate Committee: Local, Urban and State Affairs

CONTENT

The bill would amend the Michigan Penal Code to provide an exception to the prohibition against the holding of a lottery or gift enterprise for money or property, by permitting a person to conduct a lottery or gift enterprise as a "promotional activity" that was clearly occasional and ancillary to the person's primary business. ("Promotional activity" would mean an activity that was calculated to promote a business enterprise or the sale of its products or services, but would not include a lottery or gift enterprise involving the payment of money solely for the chance or opportunity to win a prize or a lottery or gift enterprise that could be entered by purchasing a product or service for substantially more than its fair market value.)

The Code currently prohibits a person from setting up or promoting a lottery or gift enterprise for money; disposing of any real or personal property, goods, or merchandise by a lottery or gift enterprise; aiding in or knowingly permitting the setting up, managing, or drawing of a lottery or gift enterprise; and, knowingly allowing money or property to be raffled off or won by throwing dice or by any other game of chance. A person who violates this provision is guilty of a misdemeanor, punishable by imprisonment for up to two years or a fine of up to \$1,000. The bill would create an exception to these provisions, as described above.

The Code also prohibits a person from advertising, printing, or publishing any lottery ticket or gift enterprise; indicating where a lottery ticket or a share of a lottery ticket may be purchased; and enticing a person to purchase a lottery ticket or a share in a ticket. Currently, a person who violates these provisions is guilty of a misdemeanor. The bill would create an exception to these provisions, as described above. Under the bill, a violation would be punishable by imprisonment for up to 90 days and/or a fine of up to \$100.

MCL 750.372 & 750.375

Legislative Analyst: L. Arasim

FISCAL IMPACT

The bill would have an indeterminate, yet likely little fiscal impact on State or local government.

To the extent that businesses presently are prosecuted and sanctioned, and under the bill would not be, there could be some cost savings associated with the bill although it is expected to be minimal.

Date Completed: 4-24-96

Fiscal Analyst: M. Hansen

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.